



## Proposed Agency Information Collection Activities; Comment Request

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer (Form MSD-4; OMB No. 7100-0100) and the Uniform Termination Notice for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer (Form MSD-5; OMB No. 7100-0101).

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by Form MSD-4 or Form MSD-5, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the OMB number or FR number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed

electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

**SUPPLEMENTARY INFORMATION:** The Board invites comment on a proposal to extend for three years, without revision, the Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer and the Uniform Termination Notice for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer<sup>1</sup>.

On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take

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<sup>1</sup> As part of this clearance, the Board will clear the Form MSD-4 and Form MSD-5 under the Form MSD-4 OMB control number (7100-0100), and then discontinue the Form MSD-5's separate OMB control number (7100-0101). This non-substantive change is aimed at simplifying the tracking and clearance process for the two related forms. This change would not modify the reporting or recordkeeping requirements of the forms in any way. The collection will then be titled "The Uniform Application and the Uniform Termination Notice for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer" (Form MSD-4 and Form MSD-5; 7100-0100).

every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement, and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

### **Request for Comment on Information Collection Proposal**

The Board invites public comment on the following information collections, which are being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collections of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collections, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

**Proposal under OMB Delegated Authority to Extend for Three Years, Without Revision, the Following Information Collections:**

*Report title:* Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer.

*Agency form number:* Form MSD-4.

*OMB control number:* 7100-0100.

*Frequency:* Event generated.

*Respondents:* Each municipal securities dealer (MSD) that is a state member bank (SMB), bank holding company (BHC), or a savings and loan holding company (SLHC), certain subsidiaries of such firms, or a foreign dealer bank.<sup>2</sup>

*Estimated number of respondents:* Reporting, 13; Recordkeeping, 13.

*Estimated average hours per response:* Reporting, 0.92; Recordkeeping, 0.08.

*Estimated annual burden hours:* Reporting, 11.96; Recordkeeping, 1.04.

*General description of report:* The Municipal Securities Rulemaking Board (MSRB) rule G-7, Information Concerning Associated Persons, requires persons who are or seek to be an associated person of an MSD, either as a municipal securities principal (a person performing supervisory functions) or representative (a person engaged in underwriting, trading, or sales of municipal securities or furnishing financial advice to issuers in connection with the issuance of municipal securities) or in any other manner set forth under the rule, to provide certain background information to the MSD. The rule also requires MSDs to obtain and report this information. MSDs for which the Board is the appropriate regulatory agency (ARA) must report to the Board information required by MSRB rule G-7 using Form MSD-4. Generally, the information required by Form MSD-4 relates to employment history and professional background, including any disciplinary sanctions, as well as any claimed basis for exemption from MSRB examination requirements. Certain information reported on Form MSD-4 is filled out by the employee, with the rest completed by the MSD. As required by MSRB rule G-7, bank

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<sup>2</sup> 15 U.S.C. 78c(34)(A)(ii).

municipal securities dealers must retain copies of Form MSD-4 for each associated person during the entire term of employment.

*Report title:* Uniform Termination Notice for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer.

*Agency form number:* Form MSD-5.

*OMB control number:* 7100-0101.

*Frequency:* Event generated.

*Respondents:* Each MSD that is an SMB, BHC, or an SLHC, certain subsidiaries of such firms, or a foreign dealer bank.<sup>3</sup>

*Estimated number of respondents:* Reporting, 21; Recordkeeping, 21.

*Estimated average hours per response:* Reporting, 0.16; Recordkeeping; 0.08.

*Estimated annual burden hours:* Reporting, 3.36; Recordkeeping 1.68.

*General description of report:* An MSD for which the Board is the ARA must file Form MSD-5 with the Board when any employee previously registered as a municipal securities principal or representative is terminated for any reason. Form MSD-5 requires information such as the reason for termination and whether any investigations or actions by agencies or self-regulatory organizations (SROs) involving the associated person occurred during the period of employment.

Any SMB, BHC, or SLHC, as well as certain subsidiaries of such firms, and any foreign dealer bank that is an MSD is required to file Forms MSD-4 and MSD-5 with the Board with respect to its employees. As required by MSRB rule G-7, an MSD must retain both Form MSD-4 and Form MSD-5 for three years from the date of termination of employment.

*Legal authorization and confidentiality:* The Securities Exchange Act of 1934 (Exchange Act) authorizes the Securities and Exchange Commission (SEC) and MSRB to promulgate rules requiring MSDs to file reports about associated persons with the SEC and ARAs,<sup>4</sup> and the Board

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<sup>3</sup> 15 U.S.C. 78c(34)(A)(ii).

<sup>4</sup> 15 U.S.C. 78o-4(a)–(b) and (q).

is the ARA for most Form MSD-4 and Form MSD-5 respondents.<sup>5</sup> The Exchange Act further authorizes the Board to enforce compliance with the SEC's and MSRB's rules,<sup>6</sup> and make rules and regulations to implement the portions of the Exchange Act for which it is responsible.<sup>7</sup>

Several additional statutes also authorize the Board to require submission of the Forms MSD-4 and MSD-5 by specific entities, including the Federal Reserve Act (for SMBs and their affiliates),<sup>8</sup> the International Banking Act (for branches and agencies of foreign banks),<sup>9</sup> the Bank Holding Company Act of 1956 (for BHCs and their subsidiaries),<sup>10</sup> and the Home Owners' Loan Act (for SLHCs and their subsidiaries).<sup>11</sup>

Filing of the Forms MSD-4 and MSD-5 is mandatory. Information provided on Forms MSD-4 and MSD-5 may be kept confidential pursuant to exemption 6 of the Freedom of Information Act (FOIA) to the extent disclosure of such information "would constitute a clearly unwarranted invasion of personal privacy."<sup>12</sup> Information contained on Forms MSD-4 and MSD-5 may also be kept confidential under FOIA exemption 4 if it is confidential commercial or financial information that is both customarily and actually treated as private<sup>13</sup> or under FOIA exemption 8 if it is obtained as part of an examination or supervision of a financial institution.<sup>14</sup>

Board of Governors of the Federal Reserve System, November 30, 2021.

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<sup>5</sup> 15 U.S.C. 78c(a)(34)(A)(ii) (establishing the Board as the ARA for an MSD that is, or is the subsidiary of, an SLHC, SMB, or BHC (including a subsidiary of the BHC if the subsidiary does not already report to another ARA or to the SEC). While the Exchange Act does not specify the ARA for MSD activities of foreign dealer banks, the SEC has agreed that the Board should examine their MSD activities. *See* Letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Laura M. Homer, Assistant Director of Board S&R, June 14, 1994.

<sup>6</sup> 15 U.S.C. 78o-4(c).

<sup>7</sup> 15 U.S.C. 78w(a).

<sup>8</sup> 12 U.S.C. 248(a)(1) (authorizing the Board to "require such statements and reports" of member banks as it may deem necessary).

<sup>9</sup> 12 U.S.C. 3105(c)(2) (subjecting branches and agencies of foreign banks to reporting requirements in the same manner as if the branch or agency were a State member bank).

<sup>10</sup> 12 U.S.C. 1844(c)(1)(A)(ii)(II) (authorizing the Board to require from a BHC or any subsidiary reports as to compliance with federal laws that the Board has jurisdiction to enforce).

<sup>11</sup> 12 U.S.C. 1467a(b)(2) (authorizing the Board to require reports from SLHCs and their subsidiaries containing such information concerning the operations of the SLHC or subsidiary as the Board may require).

<sup>12</sup> 5 U.S.C. 552(b)(6).

<sup>13</sup> 5 U.S.C. 552(b)(4).

<sup>14</sup> 5 U.S.C. 552(b)(8).

**Michele Taylor Fennell,**

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